

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA	*	CRIMINAL DOCKET NO. 10-174
v.	*	SECTION: "J"
	*	
JOSEPH BRANCH	*	
	*	
	* * *	

FACTUAL BASIS

If this case were to proceed to trial, the government would prove beyond a reasonable doubt through the testimony of competent witnesses and the introduction of admissible evidence that **JOSEPH BRANCH** ("**BRANCH**") conspired with Michael Roussel ("**Roussel**") and others to defraud Entergy Services, Inc. ("**Entergy**") and the Federal Emergency Management Agency ("**FEMA**") by negotiating and entering into a contract to provide security guards to Entergy in the event of a hurricane at an artificially inflated rate which would then be "kicked back" to **BRANCH** and Roussel as well as a cooperating witness who was Entergy's Corporate Security Manager ("**Security Manager**").

More particularly, the government would prove the following, primarily through the introduction of consensually-recorded audio and video tape recordings of the parties' discussions and negotiations.

1. The defendant **BRANCH** was an owner and employee of Gladius, Inc. ("Gladius"), a corporation based in Brownsboro, Texas.

2. The co-defendant Roussel was a Captain with the New Orleans Police Department.

3. Gladius provided security services to corporations throughout the United States, and entered into contracts with companies to provide armed security guards in connection with presidentially-declared major disasters or emergencies.

4. Entergy was a corporation with offices in New Orleans. Entergy's Security Manager was a cooperating government witness after Roussel made a bribe offer to him to obtain a security contract from Entergy for Gladius and **BRANCH**. Entergy is reimbursed by the federal government, through FEMA, for a portion of the expenses incurred in connection with a presidentially-declared major disaster or emergency, including but not limited to, armed security guards, under the Robert T. Stafford Relief and Emergency Assistance Act ("The Stafford Act") (42 U.S.C. § 5122).

More particularly, the evidence would reveal the following:

BRANCH had a security contract with several Home Depots in New Orleans in or around 2008. Because Gladius security guards did not have the required special officers' badges (blue cards), New Orleans policemen were complaining. **BRANCH** was referred to Roussel as an individual who could help with that problem. After paying Roussel \$500.00 cash, Roussel made some telephone calls and Gladius' problems ended. Based on that encounter, **BRANCH** continued to use Roussel to help with different matters and usually paid him in cash.

On or about June 10, 2010, **BRANCH** met with Roussel at a restaurant in New Orleans. Initially, Roussel introduced an individual to **BRANCH** who was to perform a detail for Gladius. After that individual left, **BRANCH** asked Roussel if he knew any New Orleans companies that might need Gladius' armed security services during the hurricane season. Roussel mentioned that he knew the Security Manager and the CEO of Entergy. Roussel further stated that he believed Gladius could get the contract but that **BRANCH** would have to pay the Security Manager of Entergy. **BRANCH** told Roussel that he would pay Roussel a percentage of the contract if they could secure the business from Entergy. **BRANCH** also told Roussel that he would pay the Security Manager in order to secure the contract. Roussel was confident that a contract could be obtained from Entergy under those arrangements.

Roussel later contacted the Security Manager, and after some initial introductions, told the Security Manager that Roussel had some money for him. When the Security Manager inquired further, Roussel explained how Gladius and **BRANCH** wanted an armed-security guard contract with Entergy and were willing to kickback something to the Security Manager and Roussel to get the contract. Believing that Roussel had made a bribe offer to the Security Manager, he contacted law enforcement about Roussel's conduct.

On that same day, **BRANCH** e-mailed Roussel. In response, Roussel e-mailed **BRANCH** and provided him with the name and phone number of Entergy's Security Manager, adding, "call me if you have a problem making contact."

On or about June 13, 2010, an employee of Gladius e-mailed **BRANCH** with the subject of "Entergy," stating, "Lots of locations. Lots of employees. Lots of money." **BRANCH** replied, "Nice."

On or about June 14, 2010, Roussel engaged in a telephone call with the Security Manager on behalf of **BRANCH**. Roussel stated, “And he’s like man he’s been buggin the living shit out of me ... like man, try to get me a meeting where I can pitch my company to him; you know I may be able to save him some money; we’ll make some money together. You know, I’m like alright, I’ll see what I can do.” Later that afternoon, the Security Manager met with Roussel and **BRANCH** and other Gladius representatives. **BRANCH** traveled to New Orleans from Texas to attend this meeting. Based on representations of Roussel, **BRANCH** believed that Gladius would obtain the contract because he was willing to pay the Security Manager and Roussel to make the deal work. The meeting took place in Entergy’s corporate office.

After touting the strengths of Gladius, **BRANCH** told the Security Manager and Roussel: “We could all get rich off of that...we can do that right now.” In response, the Security Manager acknowledged that Roussel had already assured him that they would get rich off the contract. Later, **BRANCH** again represented: “We can all retire off this deal. I’ll straight-up tell you, there’s enough money here.”

Next, in negotiations, **BRANCH** and the Security Manager agreed that Entergy would pay Gladius’ security guards while they traveled to the mobilization site, and would further pay mileage, and furnish or pay housing and fuel. During those discussions, **BRANCH** asked: “What’s the most we can bill for ... because the more money we make, the more money we all make, so I’ll call it like it is.”

BRANCH later told the Security Manager that Gladius “tries to clear at least \$75.00” per security-guard labor hour to make a profit. **BRANCH**, Roussel, and the Security Manager agreed to a contract with an hourly rate of \$89.50, per guard, with an inflated portion of approximately

\$15.00 per hour, per guard. **BRANCH** made the comment, “We’re at \$15.00 a hour above where I need to be and the hours we’re talking about is astronomical hours. I’m just going to straight-up tell you.” **BRANCH**, Roussel, and the Security Manager then agreed to split the \$15.00 per-guard, per-hour inflated-fraudulent charge equally, that being \$5.00 to each for every security-guard labor hour charged to and paid by Entergy.

Throughout the meeting, the Security Manager discussed how FEMA would reimburse Entergy for expenses incurred in relation to a hurricane or natural disaster including the security guard costs.

BRANCH agreed to funnel the Security Manager’s portion of the inflated price through the Security Manager’s wife who would be “hired” as a Gladius secretary. **BRANCH** and Roussel also agreed that Roussel’s portion of the inflated contract would be paid by **BRANCH** to Roussel as consulting fees.

After this meeting, **BRANCH**, Roussel and others went to a local restaurant to eat dinner and celebrate the Entergy development that was going to make them both rich. They both talked about how much money they would make, depending on the number of hurricanes in the Gulf of Mexico.

Subsequently, **BRANCH** sent several e-mails to the Security Manager confirming the location and attendees of a follow-up meeting to officially execute the General Services Agreement. **BRANCH** also sent a “notated version of the contract,” namely the General Services Agreement, to the Security Manager.

Before that follow-up meeting, the Security Manager discussed with Roussel whether they should obtain an up-front cash payment from **BRANCH** as a showing of “good faith” that Gladius and **BRANCH** would make the agreed-upon payments to the Security Manager and Roussel once

Gladius had secured the contract with Entergy through the efforts of the Security Manager and Roussel. The Security Manager agreed to split any payment with Roussel. Thereafter, Roussel discussed with **BRANCH** the need to pay the Security Manager to demonstrate his “good faith.” **BRANCH** decided to pay the Security Manager \$1,000.00 in cash at the next meeting.

On June 22, 2010, Roussel, **BRANCH**, and others met at Entergy’s corporate offices in New Orleans, Louisiana, to execute the General Services Agreement. Before executing the contract, the Security Manager met privately with Roussel and **BRANCH** who was carrying the \$1,000.00 in an envelope. During the meeting, **BRANCH** stated to Roussel and the Security Manager that, “I bet that you and you, that if this is a good hurricane season, I bet both of y’all can retire in the next year or two.” **BRANCH** provided the Security Manager with the envelope containing the \$1,000.00 to ensure **BRANCH’S** intentions to pay the “kick-backs” to Roussel and the Security Manager once Entergy paid Gladius for the inflated labor hours. **BRANCH** had earlier paid Roussel in cash for the same purpose. **BRANCH** and Roussel were arrested, and in a search incident to the arrest, Roussel’s wallet contained five (5) 100 dollar bills. Roussel’s credential case contained \$499.00 in cash.

A representative of the relevant internet service and e-mail service providers would testify that all of the above referenced e-mail correspondence traveled in interstate commerce.

A representative of Entergy would testify that the corporation received at least \$10,000.00 in federal aid within a year of the above described events relating to hurricane expenses.

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